



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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April 23, 2009

To: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

## **SACRAMENTO UPDATE**

This memorandum contains information on County-interest legislation relating to the planning to reopen the Martin Luther King, Jr. Hospital, a pursuit of County position on legislation, the status of County-sponsored legislation, and the status of three County-advocacy bills and an Assembly Joint Resolution.

### **Status of County-Interest Legislation**

**AB 1303 (Hall)**, as amended April 14, 2009, which would require the State Department of Public Health (SDPH) to convene a working group of stakeholders to assist in the planning to reopen Martin Luther King, Jr. Hospital, is scheduled for a hearing in the Assembly Health Committee on Tuesday, April 28, 2009.

Per the author's office, this is a "spot" bill that was introduced at the request of the Governor's office. They indicated that the bill will only be used if the agreement regarding reopening Martin Luther King, Jr. Hospital requires legislation. The "spot" bill now specifies that the proposed working group would consist of, but not be limited to, representatives of SDPH, the Los Angeles County Board of Supervisors, the Regents of the University of California, with the regents' consent, and other representatives deemed necessary by SDPH to reopen the hospital. The working group will be responsible for reviewing and examining issues relating to the hospital's reopening, including: 1) clarifying the roles of the County and regents; 2) selecting a suitable

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non-profit entity to undertake the daily operation of the hospital under a contract between the County and the University of California; 3) securing appropriate funding and making recommended statutory changes; 4) developing the hospital's teaching component; and 5) preparing a report of its findings and recommendations.

### **Pursuit of County Position on Legislation**

**AB 613 (Beall)**, as amended on April 14, 2009, would improve and streamline the Treatment Authorization Request (TAR) process, which refers to the approval by a State Department of Health Care Services (SDHCS) consultant required prior to the rendering of Medi-Cal Program services, based on a determination of medical necessity and Medi-Cal Program coverage. AB 613 would require the SDHCS to: 1) perform a cost-benefit analysis for each procedure requiring a TAR; 2) reduce the number of TARs required; 3) reduce the number of days in which TARs are required to be authorized; 4) make the rules and criteria for determining medical necessity publicly available; and 5) work with licensed health care providers that are affected by the TAR process to improve efficiency and access to care through a more streamlined and relevant process.

The Department of Health Services (DHS) indicates that the current TAR process is inefficient and inconsistent, costing providers millions of dollars in inappropriate denials and delayed payments. These costs do not include the legal expenses incurred by DHS as part of the TAR litigation process.

The Department of Health Services and this office support AB 613 because it would result in reduced County administrative costs for the provision of Medi-Cal services. Therefore, consistent with Board policy to support proposals to improve the Medi-Cal TAR process, including the expansion of cases that do not require a TAR, **the Sacramento advocates will support AB 613.**

AB 613 is sponsored by the California Hospital Association. There is no registered support or opposition. AB 613 is scheduled for a hearing on April 28, 2009, in the Assembly Health Committee.

### **Status of County-Sponsored Legislation**

**County-sponsored AB 87 (Davis)**, relating to single-use carryout bags, was amended in the Assembly Natural Resources Committee on April 13, 2009, to allocate 3 percent of the fee-revenues collected to defray the State Board of Equalization administrative costs, and to delete the Air Resources Board as a participant in the preparation of a multi-agency annual report to the Legislature regarding the effectiveness of the program. This measure passed the Committee by a party-line vote of 6 to 3, and now proceeds to the Assembly Appropriations Committee.

### **Status of County-Advocacy Legislation**

**County-opposed AB 1048 (Torrico)**, which would increase the timeframe to safely surrender a newborn from 72 hours to up to 30 days, passed the Assembly Judiciary Committee on April 21, 2009, by a vote of 8 to 2, and now proceeds to the Assembly Appropriations Committee.

**County-supported SB 114 (Liu)**, which would create a simplified redetermination process for emancipated foster youth to maintain Medi-Cal eligibility, was placed in the Senate Appropriations Committee's Suspense File on April 20, 2009, because of the potential cost to the State's General Fund.

### **Status of County-Advocacy on an Assembly Joint Resolution**

**County-supported AJR 9 (John Perez)**, which would urge the Congress and the President of the United States to enact legislation that would provide for a three-year extension of the Ryan White HIV/AIDS Treatment Modernization Act of 2006, from its current sunset date of September 30, 2009 to September 30, 2012, passed the Assembly Floor on April 20, 2009 by a vote of 76 to 0, and now proceeds to the Senate.

We will continue to keep you advised.

WTF:GK  
MR:IGA:sb

c: All Department Heads  
Legislative Strategist  
Local 721  
Coalition of County Unions  
California Contract Cities Association  
Independent Cities Association  
League of California Cities  
City Managers Associations  
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